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SUBJECT: AMBASSADOR PRAHAR PRESENTS CREDENTIALS, MEETS WITH FSM  
GOVERNMENT OFFICIALS

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REASON: 1.4 (b), (d)

¶1. (U) Summary. Peter Alan Prahar became the eighth U.S. Ambassador to the Federated States of Micronesia (FSM) after presenting his credentials to FSM President Emanuel Mori. Ambassador Prahar then met separately with President Mori, Secretary for Foreign Affairs Lorin Robert, and Acting Chief Justice of the Supreme Court Martin Yinug. The discussions covered such issues as security, economic development, and climate change. End summary.

¶2. (U) On the morning of February 5, Ambassador-Designate Peter Prahar arrived at the Presidential conference room to present his credentials. National and state government leaders and members of the diplomatic corps watched as the Ambassador handed the Letter of Recall from former Ambassador Miriam Hughes, as well as the Letter of Credence from President Obama, to FSM President Emanuel Mori.

¶3. (U) Early in his remarks, Ambassador Prahar quoted Secretary of State Clinton when he said, "the United States is back in Asia" and "we are back to stay." He stressed the importance of the security relationship, pointing out that both President Mori and Vice President Alik have children serving in the U.S. military. He also noted that the U.S. will defend the FSM "as the U.S. and its citizens are defended - the highest level of security commitment we can make."

¶4. (U) Ambassador Prahar pledged to help the FSM reach its development goals. He promised that the more than 30 U.S. agencies working in the FSM would be "credible advocates for policy reforms and program recommendations," and that they would operate in "an atmosphere of trust and mutual respect."

¶5. (U) Ambassador Prahar went on to note that the Micronesians emit very few carbon emissions, but find themselves among the peoples most threatened by climate change. Ambassador Prahar gave assurances that combating this problem is a "top priority" of the Obama administration.

¶6. (U) In his remarks, President Mori said the FSM has a "unique and special" relationship with the United States, noting that the U.S. is "the only country in the world" that allows Micronesians "to live, work, and study and even serve in the U.S. Armed Forces."

¶7. (U) President Mori then turned to the Compact. He called the first five years of the Amended Compact "a time of adjustment for both our governments" and urged "all of us to further improve its implementation." He added: "While we recognize that this [the five year Compact review] is an exercise for your government, we hope that your government can benefit from our perspective as a partner in the important process."

#### MEETING WITH PRESIDENT MORI

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¶8. (C) After the public ceremony concluded, Ambassador Prahar and President Mori returned to the conference room for a private discussion. President Mori spoke first, thanking the U.S. for "everything" since the "takeover" of the islands from the Japanese in 1945.

¶9. (C) Addressing the Compact, the President called the first Compact "weak" and said the "FSM didn't do it right, frankly" (referring to Compact administration). He claimed the Amended Compact made the bilateral relationship stronger and deeper. The FSM will continue to work to keep the relationship strong.

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It won't all be smooth, but the relationship with the U.S. will remain the country's most significant.

¶10. (C) Mori expects the five year review to expose weaknesses and show ways to strengthen the relationship. He hopes the review will show the need for timely and improved Compact implementation and the need to direct aid to the right people. The President referred to former Ambassador Hughes' desire to have Office of Insular Affairs (OIA) personnel in the islands. He agreed that while OIA is doing its best, implementation could improve "with someone on the ground."

¶11. (C) Turning to security, the President acknowledged the need to work on issues such as counterterrorism. While the FSM counts on the U.S. to support development and security, the U.S. can count on the FSM to maintain its friendship.

¶12. (C) In response, the Ambassador noted that relocating additional military forces on Guam should increase maritime surveillance. The FSM should be able to benefit from the "last healthy fisheries on Earth," and we can't allow the depletion of that resource to happen here.

13.(C) The Ambassador indicated he wants to spend his first 100 days listening to people and gathering his own impressions on how well the Compact is working. He sees the five year review as a chance to make corrections for the next 15 years; the FSM's viewpoint is absolutely essential to this process. The Ambassador went on to note the general disappointment

surrounding the FSM's declining economy and its large out-migration. There is no reason why the FSM cannot be a prosperous country, he said.

¶14. (C) The Ambassador stated he plans to tour Compact projects. Based on his ten years of development work, the Ambassador identified three elements necessary for successful assistance programs: a) the projects must utilize the community's sense of enterprise; b) results are important, just spending the money is not good enough; and c) the projects must be undertaken in partnership with the community.

15.(C) President Mori suggested that they could meet again after the Ambassador's tour. The Ambassador agreed, and assured President Mori that there will be an atmosphere of mutual respect, that there will be no ultimatums.

MEETING WITH SECRETARY ROBERT

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16.(C) Next, Ambassador Prahar walked over to the Department of Foreign Affairs and met with Secretary Lorin Robert. After congratulating Ambassador Prahar, Secretary Robert introduced Deputy Secretary Jane Chigiyal, claiming that her appointment demonstrated the FSM's commitment to a strong relationship with the U.S. (Ms. Chigiyal worked as the America's Desk Officer for many years.)

¶17. (C) The Ambassador noted he has a very busy schedule for the first 100 days. He wants to visit all the states and meet with anyone who wants to meet with him. "I will not lecture, but I will listen, and I hope to meet with you afterwards to discuss."

¶18. (C) Secretary Robert said the FSM supports the military buildup in Guam and sees real benefits accruing to the FSM, but "unfortunately" there are elements in Guam and Japan that could

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"cause problems." The Ambassador replied that since Guam is a part of the United States he can't weigh in on the politics, but the Secretary may. Once those issues are resolved, the FSM should see more ships and military contacts. The military people he talked to all agreed on the need for increased patrols.

19.(C) Secretary Robert expressed his pride and appreciation for the bilateral military relationship. He said that while there may be problems with the Department of the Interior, the FSM truly cherishes its role with the U.S. military.

20.(SBU) The Ambassador thanked the Secretary for the FSM's support for many of the U.S. positions in the U.N.

MEETING WITH ACTING CHIEF JUSTICE YINUG AND ASSOCIATE JUSTICE YAMASE

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¶21. (SBU) In his last meeting of the day, Ambassador Prahar met with Acting Chief Justice of the FSM Supreme Court Martin Yinug and Associate Supreme Court Justice Dennis Yamase. Justice Yinug assumed the "acting" title after the death of Chief Justice Andon Amaraich on January 26. Ambassador Prahar began the meeting by expressing his sincere condolences for the passing of the Chief Justice.

¶22. (C) In response to a question asking which challenges confront the FSM legal system, Acting Chief Justice Yinug replied that it is important to decide cases so that potential investors feel comfortable investing in the country. Associate Justice Yamase echoed that sentiment by declaring economic development to be the Court's most important role. [COMMENT: Post suspects this answer may have been an attempt to avert criticism. Post previously reported on the case of Bob and Patti Arthur (see reftel and previous), an American couple that saw their business ruined by the Pohnpei state government. The Supreme Court, with Justice Yamase writing the opinion, ruled that the Arthurs must repay a development loan with interest totaling over one million dollars, despite Pohnpei's actions. Post remains overtly supportive of the Arthurs, and the Justices may have wanted to demonstrate their pro-business credentials to the new Ambassador. End comment.]

¶23. (C) Acting Chief Justice Yinug also revealed some limitations of the FSM judicial system. When asked how many judges are in the country, Yinug replied that there are fewer than 20 at the national level, accompanied by more than 80 municipal court judges. He acknowledged that many of the municipal judges not only lack training, but basic education as well. Some cannot even speak English. Moreover, Yinug noted that in his home state of Yap the municipal courts are not even required to keep records; there is no documentation of what they are doing.

#### CONCLUSION

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¶24. (SBU) The warm welcome given to Ambassador Prahar portends a good working relationship. His first meetings with FSM government officials produced no major surprises. FSM officials appreciate U.S. assistance, but they chafe under some conditions in the Compact. They hope that the five year Compact review will usher in some beneficial changes, including the assignment of Department of Interior personnel to the FSM. They also anticipate economic benefit and an increased security presence with the Guam military buildup.

PRAHARP